## S.C.R. NO. 64

MAR 0 4 2014

## SENATE CONCURRENT RESOLUTION

REQUESTING THE AUDITOR TO CONDUCT AN IMPACT ASSESSMENT REPORT ON LEGISLATION MANDATING CERTAIN HEALTH INSURANCE COVERAGE FOR OUTPATIENT PRESCRIPTION DRUGS.

WHEREAS, the Legislature finds that it is the goal of all people in Hawaii to have access to health care in all its facets, including affordable access to prescription drugs; and

WHEREAS, the public relies heavily on health insurance policies to provide access to adequate medical care; and

WHEREAS, many health plans continue to increase enrollee cost-sharing amounts, institute coinsurance, and create specialty tiers, resulting in increased medication costs for patients participating in those plans; and

WHEREAS, many health plans and prescription drug plans now require individuals to pay a coinsurance or percentage of the cost of specialty tier prescription medications; and

WHEREAS, specialty tier medications often include medications for chronic diseases, including certain types of cancer, hemophilia, multiple sclerosis, myositis, neuropathy, arthritis, human immunodeficiency virus, and other diseases and disorders; and

WHEREAS, coinsurance, cost-sharing, and specialty tier pricing often place significant and onerous financial burdens upon insured individuals with chronic health care issues requiring prescription medication, in many cases leading to decreased adherence or failure to take medications as prescribed, resulting in acute incidents and negative health outcomes; and

WHEREAS, S.B. No 2173 (Regular Session of 2014) seeks to mandate that certain individual and group accident and health or

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sickness policies, contracts, or plans issued or renewed in this State after December 31, 2014, cover outpatient prescription drugs and not require coinsurance as a basis for cost sharing with enrollees for outpatient prescription drug benefits; and

WHEREAS, S.B. No. 2173 (Regular Session of 2014) also seeks to impose limitations on the amount of copayment insured individuals must pay for prescription drugs; and

WHEREAS, if an individual and group accident and health or sickness policy, contract, or plan provides for a limit on the annual out-of-pocket expenses for an insured individual, the insured individual's out-of-pocket costs for covered outpatient prescription drugs shall be included in that limit; and

WHEREAS, section 23-51, Hawaii Revised Statutes, requires that "[b]efore any legislative measure that mandates health insurance coverage for specific health services, specific diseases, or certain providers of health care services as part of individual or group health insurance policies, can be considered, there shall be concurrent resolutions passed requesting the auditor to prepare and submit to the legislature a report that assesses both the social and financial effects of the proposed mandated coverage"; and

WHEREAS, section 23-51, Hawaii Revised Statutes, further provides that "[t]he concurrent resolutions shall designate a specific legislative bill that:

- Has been introduced in the legislature; and (1)
- Includes, at a minimum, information identifying the; (2)
  - (A) Specific health service, disease, or provider that would be covered;
  - (B) Extent of the coverage;
  - (C) Target groups that would be covered;
  - Limits on utilization, if any; and (D)
  - (E) Standards of care.

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For purposes of this part, mandated health insurance coverage shall not include mandated optional"; and

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WHEREAS, section 23-52, Hawaii Revised Statutes, further specifies the minimum information required for assessing the social and financial impacts of the proposed health coverage mandate in the Auditor's report; now, therefore,

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BE IT RESOLVED by the Senate of the Twenty-seventh Legislature of the State of Hawaii, Regular Session of 2014, the House of Representatives concurring, that the Auditor is requested to conduct an impact assessment report, pursuant to sections 23-51 and 23-52, Hawaii Revised Statutes, of the social and financial impacts of mandating certain health insurance coverage for outpatient prescription drugs, as provided in S.B. No. 2173 (Regular Session of 2014); and

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BE IT FURTHER RESOLVED that the Auditor is requested to submit findings and recommendations, including any necessary implementing legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2014; and

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BE IT FURTHER RESOLVED that certified copies of this Concurrent Resolution be transmitted to the Auditor and to the Insurance Commissioner, who, in turn, is requested to transmit copies to each insurer in the State that issues health insurance policies.

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OFFERED BY: